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STATEMENT TO THE LEGISLATURE

BY

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TREASURER OF ONTARIO AND MINISTER OF ECONOMICS


ON

ONTARIO PROGRAM FOR WORKER OWNERSHIP

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Mr. Speaker, I would like to inform the members of the Legislature of the Government's intention to introduce a new program to help Ontario companies and workers respond to the challenges of the 1990s.

During the past few months, I have spoken with business and labour representatives about the current state of the economy. We are all aware that the Ontario economy is undergoing fundamental restructuring as a result of changing markets and growing international competition.

To meet these new economic challenges, businesses need better access to sources of capital and employees need to be full partners in both the decision making process and the opportunities that are being created.

It is clear that new partnerships are required to ensure that employees and employers can work together to help Ontario companies keep pace with these economic realities.

The Government of Ontario is prepared to introduce tax incentives that will encourage investments by workers in Ontario business to support these new partnerships. We will also be pursuing with the federal government ways in which this program can complement the existing Labour-Sponsored Venture Capital Corporation legislation.

Mr. Speaker, the proposal that I am outlining today will:

- provide workers with the opportunity to invest in their own and other companies; and
- provide businesses with access to equity capital to modernize or restructure their operations.

This program will consist of two parts:

- the first will provide a tax credit of 20 per cent to workers contributing to labour-sponsored funds that invest in small and medium-sized businesses; and
- the second will provide enhanced tax credits to workers investing solely in their employers' corporation.

Mr. Speaker, worker ownership programs, combined with participating workplace organization, are known to increase productivity. In addition, they can promote job creation and maintenance, stabilize local economies, and improve labour-management relations.

We are committed to creating the conditions where government, labour, business and other members of the community will come together to find the solutions that work best for Ontario.

To encourage this, I will be releasing a discussion paper and draft legislation this summer, which will outline details of this program.

I hope all interested parties will take part in this consultation, and I look forward to receiving their views and comments this summer. Following this review, I hope to implement the program later this year.

Ontario's success in meeting the challenges of the 1990s will depend on the ability of business, labour and government, working together, to increase the flexibility of our economy and its supporting institutions.

Mr. Speaker, sustainable prosperity is possible only if everyone believes that they will be full participants in economic and social change and will share the benefits of this participation.

We believe this new program will be a strong step in meeting that challenge.

Thank you.